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TREATIES AND OTHER INTERNATIONAL ACTS SERIES 9528

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AGRICULTURAL COMMODITIES

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Agreement Between the
UNITED STATES OF AMERICA
and INDONESIA

Amending the Agreement of
May 17, 1977, as Amended,
and Exchange of Letters of
December 16, 1977

Effected by Exchange of Notes
Signed at Jakarta July 19, 1979

NOTE BY THE DEPARTMENT OF STATE

Pursuant to Public Law 89–497, approved July 8, 1966 (80 Stat. 271; 1 U.S.C. 113)—

". . . the Treaties and Other International Acts Series issued under the authority of the Secretary of State shall be competent evidence . . . of the treaties, international agreements other than treaties, and proclamations by the President of such treaties and international agreements other than treaties, as the case may be, therein contained, in all the courts of law and equity and of maritime jurisdiction, and in all the tribunals and public offices of the United States, and of the several States, without any further proof or authentication thereof."

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INDONESIA

Agricultural Commodities

Agreement amending the agreement of May 17, 1977, as amended, and exchange of letters of December 16, 1977.
Effected by exchange of notes
Signed at Jakarta July 19, 1979;
Entered into force July 19, 1979.

The American Ambassador to the Indonesian Minister for Foreign Affairs ad interim

Jakarta, July 19, 1979

No. 590

Excellency,

I have the honor to refer to the Agricultural Commodities Agreement signed by representatives of our two Governments on May 17, 1977, as amended on September 9, 1977, December 16, 1977, February 23, 1978, July 13, 1978 and December 6, 1978[1] and to propose that Part II, Particular Provisions, be further amended as follows:

A. Item I, Commodity Table: Under appropriate column headings make the following changes:

(1) On line titled "Rice" and under appropriate column headings change "745,000" to "795,000" and "$220.04" to "235.04."

(2) On line titled "Total" and under column titled "Maximum Export Market Value" change "$291.5" to "$306.5."

B. Item II, Payment Terms: Following the heading "Convertible Local Currency Credit (CLCC)" delete lines A through G and substitute the following:

"(A) For the agreement signed May 17, 1977 and all Amendments thereto through the Fifth Amendment signed December 6, 1978:

(1) Initial Payment - Fifteen (15) percent.

(2) Currency Use Payment - Ten (10) percent for section 104(A) purposes.

His Excellency

M. Pangrabean

Minister for Foreign Affairs Ad Interim

Department of Foreign Affairs

Jakarta

[1] TIAS 8677, 8913, 8984, 9169; 28 UST 6172; 29 UST.

(3) Number of Installment Payments - Twenty (20).

(4) Amount of each Installment Payment - Approximately equal annual amounts.

(5) Due date of the First Installment Payment - Six (6) years after the date of the last delivery of commodities in each calendar year.

(6) Initial Interest Rate - Three (3) percent.

(7) Continuing Interest Rate - Four (4) percent.

(B) For the Sixth Amendment to the Agreement signed May 17, 1977 and any 1979 subsequent Amendments thereto:

(1) Initial Payment - Five (5) percent.

(2) Currency Use Payment - Ten (10) percent for section 104(A) purposes.

(3) Number of Installment Payments - Twenty-eight (28).

(4) Amount of each Installment Payment - approximately equal annual amounts.

(5) Due date of the First Installment Payment - Eight (8) years after date of last delivery of commodities in each calendar year.

(6) Initial Interest Rate - Two (2) percent.

(7) Continuing Interest Rate - Three (3) percent."

All other terms and conditions of the May 17, 1977 Agreement as amended remain the same.

Further, that the letters dated December 16, 1977, exchanged

between ourselves which incorporated the list of development projects that will be undertaken with the PL-480[1] commodities under the Second Amendment to the Title I, PL-480 Agreement dated May 17, 1977, or the proceeds generated by the sale, be modified to incorporate the funds generated by the proceeds from the sale of commodities under the Sixth Amendment to the May 17, 1977, Title I, PL-480 Agreement and allocate such funds to the project small/medium swampy area reclamation and development - $15,000,000.

If the foregoing is acceptable to your Government, I have the honor to propose that this Note and your reply thereto constitute an Agreement between our two Governments effective on the date of your Note in reply.

Accept, Excellency, the renewed assurance of my highest consideration.

[2]

Attachment

[1] 68 Stat. 454; 7 U.S.C. § 1701 *et seq.*
[2] Edward E. Masters.

8. SMALL/MEDIUM SWAMPY AREA RECLAMATION & DEVELOPMENT - $15 MILLION.

The purpose of this project is to construct new irrigation systems and rehabilitate existing structures to reclaim swamp and tidal lands in Sumatera and Kalimantan. An estimated 5 million hectares of tidal swamps are on the coastlines of these two islands. Of this total, approximately 1.3 million hectares have been identified as having potential for development. The reclamation system will consist of a main canal which will function principally as a drainage system connecting a tidal river with the swamp area, access roads, a network of secondary canals to permit the distribution of fresh water from the river at high tide and drainage into this same network during low tide, the clearing of vegetation and land leveling.

Tidal reclamation has been identified as playing an important role in expanding the irrigated rice production area and the transmigration resettlement efforts.

This project will create both short term employment and income for those engaged in construction and long term farm employment for those working on the land after it is prepared. In addition, drainage of swamp lands will help improve rural health by reducing malaria mosquitos breeding areas.

For 1979/80, the completion of 14,490 hectares has been targeted for attribution.

The Indonesian Minister for Foreign Affairs ad interim to the American Ambassador

MINISTER FOR FOREIGN AFFAIRS
REPUBLIC OF INDONESIA

Jakarta, July 19, 1979.

No. : D. 0823/79/01.

Your Excellency ,

I have the honour to acknowledge receipt of Your Excellency's Note of July 19, 1979 which reads as follows :

" I have the honor to refer to the Agricultural Commodities Agreement signed by representatives of our two Governments on May 17, 1977, as amended on September 9, 1977, December 16, 1977, February 23, 1978, July 13, 1978 and December 6, 1978 and to propose that Part II, Particular Provisions, be further amended as follows :

A. Item I, Commodity Table : Under appropriate column headings make the following changes :

(1) On line titled "Rice" and under appropriate column headings change "745,000" to "795,000" and "$220.04" to "$235.04."

(2) On line titled "Total" and under column titled "Maximum Export Market Value" change "$291.5" to "$306.5."

B. Item II, Payment Terms : Following the heading : "Convertible Local Currency Credit (CLCC)" delete lines A through G and substitute the following : "(A) For the Agreement signed May 17, 1977 and all Amendments thereto through the Fifth Amendment signed December 6, 1978 :

(1) Initial Payment - Fifteen (15) percent
(2) Currency Use Payment - Ten (10) percent for section 104 (A) purposes.

His Excellency

Edward E. Masters
The United States Ambassador

J a k a r t a

(3) Number of Installment Payments - Twenty (20)
(4) Amount of each Installment Payment - Approximately equal annual amounts.
(5) Due date of the First Installment Payment - Six (6) Years after the date of the last delivery of commodities in each Calender Year.
(6) Initial Interest Rate - Three (3) percent
(7) Continuing Interest Rate - Four (4) percent

(B) For the Sixth Amendment to the Agreement signed May 17, 1977 and any 1979 subsequent Amendments thereto :

(1) Initial Payment - Five (5) percent
(2) Currency Use Payment - Ten (10) percent for section 104 (A) purposes.
(3) Number of Installment Payments - Twenty-eight (28)
(4) Amount of each installment payment - approximately equal annual amounts
(5) Due date of first installment - Eight (8) years after date of last delivery of commodities in each Calender Year.
(6) Initial Interest Rate - Two (2) percent
(7) Continuing Interest Rate - Three (3) percent.

2. All other terms and conditions of the May 17, 1977 Agreement as amended remain the same.
Further, that the letters dated December 16, 1977, exchanged between ourselves which incorporated the list of development projects that will be undertaken with the PL-480 commodities under the second Amendment to the Title I, PL-480 Agreement dated May 17, 1977, or the proceeds generated by the sale, be modified to incorporate the funds generated by the proceeds from the sale of commodities under the Sixth Amendment to the May 17, 1977, Title I, PL-480 Agreement and allocate such funds to the project small/medium swampy area reclamation and development $. 15,000,000.

If the foregoing is acceptable to your Government, I have the honour to propose that this Note and your reply thereto constitute an Agreement between our two Governments effective on the date of your Note in reply. Accept, Excellency, the renewed assurance of my highest consideration ".

I have further the honour to confirm that the proposed amendment as described in Your Note are acceptable to my Government and to agree that Your Excellency's Note and this reply shall be regarded as constituting an agreement between our two Governments with effect from the date of this Note.

Please, Excellency, accept the renewed assurance of my highest consideration.

M. PANGGABEAN
Minister for Foreign
Affairs ad interim.

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